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SUBJECT: CHIEF OF STAFF MILLS MEETS WITH GOH MINISTERS AND  
PARLIAMENTARY LEADERS

11. (U) Summary. The Secretary's Counselor and Chief of Staff Cheryl Mills, along with staff aide Meghann Curtis, assessed Haiti's development and reconstruction needs in a visit July 6-7 that included a tour of a USAID-funded IOM projects outside Port-au-Prince, and meetings with the Prime Minister, Ministers of Agriculture, Planning, and Public Works, and the Presidents of the two chambers of parliament. They also joined the program for UN Special Envoy Clinton, beginning the evening of July 6, which included a helicopter visit to Gonaives, the city most damaged by the 2008 hurricanes. End summary.

12. (U) Counselor and Chief of Staff Cheryl Mills, accompanied by staff aide, Meghann Curtis, visited Haiti July 6-7. Accompanied by the Charge, their visit began with a meeting with Prime Minister Michele Pierre-Louis and Agriculture Minister Joanes Gue at the Ministry of Agriculture Office for the West Department located in Croix des Bouquets. PM Pierre-Louis said that GoH support of the agriculture sector, and hence to food security, is a priority, emphasizing the fact that 60 percent of the population is still engaged in agriculture but that the sector is suffering from neglect and disinvestment.

13. (U) Minister Gue outlined the GoH agricultural sector strategy, noting that of an estimated 400,000 hectares (about one million acres) of arable land in Haiti, less than one quarter (ca. 85,000 hectares, just over 200,000 acres) is currently under irrigation. He stated that Haiti needs agricultural infrastructure and inputs, including seed, fertilizer, equipment, and genetic material. He noted that despite last year's hurricanes, there had been a 14 percent increase in domestic cereal production between June 2008 and March 2009. He attributed this increase to subsidized fertilizer and equipment provided to farmers by the GoH in the wake of the storms. (Note: much of this "post-hurricane" reaction was funded from some USD 200 million of PetroCaribe Fund monies, amassed during the previous year and a half from GoH sales of subsidized fossil fuels from Venezuela. End note.) Gue worried that the higher productivity would depress prices, leading to lower investment levels by farmers. (Note: Sales of imported rice still far exceed sales of domestically produced rice, mainly because the locally-produced product costs more. End note.) Gue told Mills that his own ministry needs to be restructured.

14. (U) Immediately thereafter, the visitors proceeded to the nearby agricultural zone known as the Plaine de Cul de Sac for a brief visit to a short-term jobs project implemented by the International Organization for Immigration (IOM). The workers were cleaning out long-clogged irrigation canals, thereby bringing water back to the Plaine and allowing both dry season planting and the cultivation of crops that depend on regular irrigation. (Note: At the time of the visit, it had not rained for over a week, yet rainy season crops such as sweet potatoes, various peas/beans, and other vegetables were growing well. End note.) Mills observed a "konbit" (a

field-planting party that helps individual farmers get their crops in the ground) in action, making use of the newly-restored irrigation water in that part of the valley. Farmers reported being able to plant crops that they had not grown in years, thereby increasing incomes and food security for the region. One farmer told Econoff that he had come back from Canada to farm land that he had practically abandoned years earlier. One problem that remained to be solved, however, was how the water would be shared once the entire area was returned to cultivation.

15. (U) Mills then met with the Minister of Planning, Jean-Max Bellerive, and Minister of Public Works, Transportation and Telecommunications Jacques Gabriel, in their downtown offices. They were accompanied by USAID Mission Director Beth Cypser. Bellerive and Gabriel discussed GoH efforts to decrease deficits and reduce subsidies in the electricity sector. (Note: It is estimated that the Haitian Electric Company (EDH) costs the GoH some USD 100 million per year between unpaid bills and the subsidization of fuel-driven generators. End note.) These included a new rate structure (and enforcement of payment); more regular provision of electricity to the biggest corporate customers; and making sure that GoH's own ministries pay their EDH bills. Gabriel's Energy Advisor, Rene Jean-Jumeau, noted the adverse environmental effects caused by using wood and charcoal to satisfy 75 percent of Haitian energy needs. He also noted that despite the concessionary terms of the Haiti-Venezuela PetroCaribe Fund arrangement, Haiti is still facing balance of payment issues due to the high volume of fossil fuel imports. Further discussion centered on EDH administration, electricity production versus distribution, and the idea of mini-hydroelectric plants. The ministers noted that Haitian law allows for private sector participation in electricity production but not distribution, and that USAID had rehabilitated two mini-hydro plants successfully in 2008.

16. (U) Mills then met with two parliamentary leaders, Senate President Kely Bastien and Chamber of Deputies Levaillant Louis-Jeune. Mills emphasized the strong U.S. partnership with Haiti and that the USG was considering increasing its commitment to this country. They discussed conditions in Haiti and the measures necessary to attract foreign direct investment (FDI). Bastien said that continued political stability, a key result of the international presence in Haiti, depends upon job creation. He underscored that only the private sector & domestic and foreign could create jobs. With the capital Port-au-Prince overrun by rural migrants packed into vast slums, Haiti had to create more jobs in the provinces. Haiti also had to improve its health care system to give equal access to all citizens, and guarantee access to education at all levels.

17. (U) Bastien said that he has asked President Preval to bring potential investors and GoH officials together to identify and overcome obstacles to foreign and domestic investment. Investors worried about security of land ownership, access to justice, and inadequate infrastructure. Mills mentioned that one obstacle to investment was the long time it takes to start a business in Haiti. Bastien agreed that this process should be streamlined with a "one-stop shopping" approach managed by the Haitian Chamber of Commerce and Industry to help potential investors prepare their business registration files for submissions to the relevant ministries. Haiti, Bastien declared, should give the "red carpet treatment" to investors. Louis-Jeune talked to Mills about the minimum wage bill, which would nearly triple the current 70 gourdes per day (about USD 1.75) to 200 gourdes/day (USD 5.00), calling the current wage a pittance that doesn't allow a worker to feed his or her family. He conceded that parliament should also consider the need to preserve jobs, and find a "fair middle ground." (Note: The Chamber of Deputies is currently studying President Preval's proposed modifications to the law, originally passed in mid-June but sent back to Parliament, and should vote to amend or reaffirm it sometime in July (Septel). End note.)

18. (U) Mills met privately with Prime Minister Pierre-Louis later in the evening, where the PM shared her perspectives on development assistance and the relative impact on different sectors. She then joined President Clinton at a working dinner at the National Palace late that evening. On July 7, Mills and Curtis, along with CDA Tighe, flew by UN helicopter to Gonaives, scene of massive destruction and loss of life in last year's hurricanes, to visit

rehabilitation projects and observe progress on measures to prevent a recurrence during the 2009 hurricane season, already over a month old. While in Gonaives they also visited a UN-sponsored hospital and a neighborhood renewal project funded in part by USAID. Upon returning to Port-au-Prince, Mills accompanied Clinton on a visit to a mango processing plant where mangos are pretreated, boxed, and cleared for export to the U.S.